(c) and (d) LIC have informed that no case of their employees having conspired with the agents in such matters has come to their notice and that the policies are normally issued within a reasonable time; however, on rare occasions, there can be administrative irregularities for which suitable action is taken on receipt of a complaint.

(e) and (f) Do not arise.

Purchase of shares of UTI

7829. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the UTI's CGM has been held responsible for UTI's purchase of Rs. 1000 crore worth of Reliance shares last year, unaware of the lock-in provision and his inability to foresee the huge amount of units that came up for redemption; and

(b) if so, the details of the loss sustained by the U.T.I. as a result of this omission or commission on the part of the UTI's C.G.M. and the action taken against him?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) UTI has stated that no Chief General Manager has been held responsible for any omission or commission for UTI's purchase of Reliance shares, as this purchase was made after due commercial appraisal and with the sanction of the UTI Board.

Reciprocity in business operations in Insurance sector

7830. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the insurance market in developed industrialised countries especially in the USA are heavily protected by stringent insurance laws;

(b) whether it is also a fact that several conflicting regulations are operative in dierent States of the USA; and

(c) if so, how the Government of India view the question of reciprocity in business operations in the insurance section?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. The General Insurance Corporaton of Inda (GIC) have informed that in the United States of America (USA) each State has a separate Insurance Department headed by an Insurance Commissioner and the insurance business is regulated by State law. The contents of the regulations vary from State to State in terms of policy forms, premium rates and other regulations.

(c) Under the existing laws, insurance business is an exclusive privilege of Life Insurance Corporation of India and General Insurance Corporation of India.

Expenditure incurred for reducing losses to zonal rural banks

7831. SHRI ISH DUTT YADAV:

CHAUDHARY HARMOHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether detailed investigation has been made by National Bank for Agriculture and Rural Development (NABARD) in respect of financial administrative expenditure for reducing the losses of Zonal Rural Banks;

(b) if so, what are the outcomes thereof; and